



BARRY COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1998

**From The Office Of State Auditor
Claire McCaskill**

Report No. 99-86
September 28, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 1999

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Barry, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Barry County was a financial and compliance audit of various county operating funds.

< The county did not prepare a budget for the Special Road District Fund for 1998. The audit recommended officials ensure budgets are prepared for all county funds.

The audit also includes some other matters upon which the county should consider and take appropriate corrective action.

Copies of the audit are available upon request.

YELLOW SHEET

BARRY COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Barry County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Barry County, Missouri, as of and for the years ended December 31, 1998 and 1997, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Barry County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Barry County.

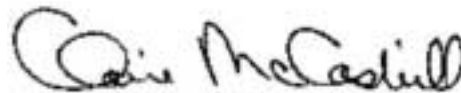
As more fully described in Note 1 to the financial statements, the county's financial statements do not include statements of receipts, disbursements, and changes in cash - budget and actual for various funds totaling \$3,059,892 in receipts, and \$3,045,604 in disbursements for the year ended December 31, 1998. Statements of receipts, disbursements, and changes in cash - budget and actual are required by the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In our opinion, except for the omission of the 1998 information discussed in the preceding paragraph, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Barry County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 1998 and 1997, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

Barry County, Missouri, has not presented the disclosures required by Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, that the GASB has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the county is or will become year 2000-compliant, that the county's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the county does business are or will become year 2000-compliant.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 23, 1999, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

June 23, 1999 (fieldwork completion date)



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Barry County, Missouri

We have audited the special-purpose financial statements of various funds of Barry County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated June 23, 1999. That report expressed a qualified opinion on the special-purpose financial statements. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Barry County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 98-1. We also noted an immaterial instance of noncompliance, which we have reported to the management of the county in the accompanying Letter on Other Matters.

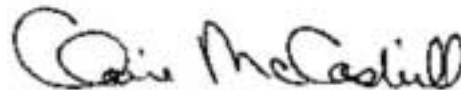
Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Barry County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the

county's ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 98-1.

A material weakness is a condition in which the design of operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above, finding number 98-1, to be a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to the management of the county in the accompanying Letter on Other Matters.

This report is intended for the information of the management of Barry County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" being more prominent than the last name "McCaskill".

Claire McCaskill
State Auditor

June 23, 1999 (fieldwork completion date)

Financial Statements

Exhibit A-1

BARRY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 1,224,995	2,271,547	2,079,233	1,417,309
Special Road and Bridge	317,494	430,419	349,073	398,840
Assessment	26,908	257,248	264,687	19,469
Law Enforcement Training	10,150	5,872	8,456	7,566
Prosecuting Attorney Training	1,180	1,575	691	2,064
Liberty Common Road District	12,055	11,632	5,826	17,861
Special Road District	0	2,921,245	2,921,245	0
Recorder Microfilm	38,626	25,269	11,567	52,328
Prosecuting Attorney Bad Check	40,110	31,590	58,156	13,544
Prosecuting Attorney Delinquent Tax	4,038	1,623	0	5,661
Sheriff Special Law Enforcement	8,898	1,731	3,674	6,955
Shelter Home	680	1,190	1,074	796
Sheriff	20,896	35,988	44,208	12,676
Peace Officer Standards Training	740	2,462	1,290	1,912
Local Emergency Planning Commission	20,262	7,712	1,197	26,777
DARE	18,784	725	11,390	8,119
Multiflora Rose Control	0	10,249	10,249	0
Local Law Enforcement Block Grant	0	14,355	14,355	0
Developmentally Disabled Board	225,098	180,718	147,506	258,310
Circuit Clerk Interest	10,275	8,777	10,055	8,997
Associate Circuit Division Interest	1,984	2,052	86	3,950
Search and Rescue	965	0	965	0
Law Library	13,038	8,147	29	21,156
Juvenile Office	7,888	130,500	123,365	15,023
Total	\$ 2,005,064	6,362,626	6,068,377	2,299,313

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

BARRY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1997

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 906,789	2,058,945	1,740,739	1,224,995
Special Road and Bridge	311,798	462,666	456,970	317,494
Assessment	32,510	226,310	231,912	26,908
Law Enforcement Training	8,001	5,344	3,195	10,150
Prosecuting Attorney Training	141	2,457	1,418	1,180
Liberty Common Road District	4,072	9,854	1,871	12,055
Special Road District	0	2,559,869	2,559,869	0
Recorder Microfilm	47,487	24,767	33,628	38,626
Prosecuting Attorney Bad Check	28,118	31,268	19,276	40,110
Prosecuting Attorney Delinquent Tax	2,983	1,055	0	4,038
Sheriff Special Law Enforcement	8,626	2,061	1,789	8,898
Shelter Home	624	1,247	1,191	680
Sheriff	0	20,896	0	20,896
Peace Officer Standards Training	0	740	0	740
Local Emergency Planning Commission	21,699	1,167	2,604	20,262
DARE	11,350	19,390	11,956	18,784
Developmentally Disabled Board	156,720	155,726	87,348	225,098
Circuit Clerk Interest	4,720	9,977	4,422	10,275
Associate Circuit Division Interest	1,074	934	24	1,984
Search and Rescue	556	409	0	965
Law Library	10,350	7,243	4,555	13,038
Juvenile Office	16,390	108,698	117,200	7,888
Total	\$ 1,574,008	5,711,023	5,279,967	2,005,064

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

BARRY COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

Year Ended December 31,						
1998				1997		
Budget	Actual	Variance Favorable (Unfavorable)		Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 13,500	19,594	6,094	9,000	17,285	8,285
Sales taxes	1,225,000	1,254,821	29,821	1,178,843	1,201,196	22,353
Intergovernmental	351,651	379,733	28,082	283,684	311,214	27,530
Charges for services	387,220	444,789	57,569	370,500	397,250	26,750
Interest	35,000	74,018	39,018	22,500	60,266	37,766
Other	52,000	55,412	3,412	33,558	61,923	28,365
Transfers in	0	43,180	43,180	0	9,811	9,811
Total Receipts	2,064,371	2,271,547	207,176	1,898,085	2,058,945	160,860
DISBURSEMENTS						
County Commission	93,703	73,634	20,069	53,129	52,383	746
County Clerk	51,250	50,523	727	51,900	49,728	2,172
Elections	99,660	84,771	14,889	57,650	43,347	14,303
Buildings and grounds	92,040	117,700	-25,660	75,650	87,069	-11,419
Employee fringe benefits	185,229	193,110	-7,881	177,635	172,163	5,472
County Treasurer	22,118	21,750	368	24,534	21,887	2,647
County Collector	91,548	91,190	358	94,330	93,044	1,286
Ex-Officio Recorder of Deeds	33,065	32,297	768	32,065	31,719	346
Circuit Clerk	14,350	19,025	-4,675	20,200	17,317	2,883
Associate Circuit Court	16,750	16,627	123	22,925	20,820	2,105
Court administration	5,919	4,761	1,158	5,794	4,788	1,006
Sheriff	474,996	463,164	11,832	456,932	501,595	-44,663
Jail	256,400	261,309	-4,909	226,140	219,494	6,646
Prosecuting Attorney	128,723	121,194	7,529	122,173	116,604	5,569
Juvenile Officer	144,124	134,517	9,607	110,931	124,642	-13,711
County Coroner	21,176	15,827	5,349	18,542	19,816	-1,274
Emergency Management	240	3,160	-2,920	4,830	2,000	2,830
Capital Projects	200,000	52,761	147,239	200,000	85,004	114,996
Insurance and bonds	46,000	45,229	771	33,000	28,122	4,878
University extension	33,896	33,896	0	33,231	33,231	0
Other	20,875	17,725	3,150	18,346	15,966	2,380
Transfers out	49,129	225,063	-175,934	130,448	0	130,448
Emergency Fund	95,000	0	95,000	94,904	0	94,904
Total Disbursements	2,176,191	2,079,233	96,958	2,065,289	1,740,739	324,550
RECEIPTS OVER (UNDER) DISBURSEMENTS	-111,820	192,314	304,134	-167,204	318,206	485,410
CASH, JANUARY 1	1,224,995	1,224,995	0	906,789	906,789	0
CASH, DECEMBER 31	\$ 1,113,175	1,417,309	304,134	739,585	1,224,995	485,410

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

BARRY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SPECIAL ROAD AND BRIDGE FUND

		Year Ended December 31,					
		1998			1997		
			Variance Favorable (Unfavorable)			Variance Favorable (Unfavorable)	
		Budget	Actual		Budget	Actual	
RECEIPTS							
Property taxes	\$	65,000	76,579	11,579	60,200	65,100	4,900
Intergovernmental		488,730	329,263	-159,467	545,100	372,291	-172,809
Charges for services		0	126	126	0	1,753	1,753
Interest		20,000	24,451	4,451	18,000	23,522	5,522
Total Receipts		573,730	430,419	-143,311	623,300	462,666	-160,634
DISBURSEMENTS							
Equipment		0	0	0	0	3,000	-3,000
Construction, repair, and maintenance		434,490	326,237	108,253	450,000	425,164	24,836
Other		12,400	9,902	2,498	175,000	22,595	152,405
Transfers out		9,000	12,934	-3,934	0	6,211	-6,211
Total Disbursements		455,890	349,073	106,817	625,000	456,970	168,030
RECEIPTS OVER (UNDER) DISBURSEMENTS							
		117,840	81,346	-36,494	-1,700	5,696	7,396
CASH, JANUARY 1		317,494	317,494	0	311,798	311,798	0
CASH, DECEMBER 31	\$	435,334	398,840	-36,494	310,098	317,494	7,396

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

BARRY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ASSESSMENT FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 248,199	237,473	-10,726	205,174	214,176	9,002
Charges for services	7,800	16,604	8,804	7,800	7,869	69
Interest	0	3,171	3,171	0	4,265	4,265
Transfers in	49,129	0	-49,129	34,230	0	-34,230
Total Receipts	305,128	257,248	-47,880	247,204	226,310	-20,894
DISBURSEMENTS						
Assessor	305,128	264,687	40,441	247,204	231,912	15,292
Total Disbursements	305,128	264,687	40,441	247,204	231,912	15,292
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	-7,439	-7,439	0	-5,602	-5,602
CASH, JANUARY 1	26,908	26,908	0	32,510	32,510	0
CASH, DECEMBER 31	\$ 26,908	19,469	-7,439	32,510	26,908	-5,602

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

BARRY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT TRAINING FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 5,000	5,872	872	3,500	5,344	1,844
Total Receipts	5,000	5,872	872	3,500	5,344	1,844
DISBURSEMENTS						
Sheriff	12,120	8,456	3,664	5,550	3,195	2,355
Total Disbursements	12,120	8,456	3,664	5,550	3,195	2,355
RECEIPTS OVER (UNDER) DISBURSEMENTS	-7,120	-2,584	4,536	-2,050	2,149	4,199
CASH, JANUARY 1	10,150	10,150	0	8,001	8,001	0
CASH, DECEMBER 31	\$ 3,030	7,566	4,536	5,951	10,150	4,199

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

BARRY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY TRAINING FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Charges for services	\$	2,400	1,575	-825	2,200	2,457	257
Total Receipts		2,400	1,575	-825	2,200	2,457	257
DISBURSEMENTS							
Prosecuting Attorney		2,180	691	1,489	2,200	1,418	782
Total Disbursements		2,180	691	1,489	2,200	1,418	782
RECEIPTS OVER (UNDER) DISBURSEMENTS		220	884	664	0	1,039	1,039
CASH, JANUARY 1		1,180	1,180	0	141	141	0
CASH, DECEMBER 31	\$	1,400	2,064	664	141	1,180	1,039

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

BARRY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LIBERTY COMMON ROAD DISTRICT FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$	425	468	300	411	111
Sales taxes		5,000	5,446	4,900	5,045	145
Intergovernmental		3,834	4,644	3,300	3,814	514
Interest		500	1,074	250	584	334
Total Receipts		9,759	11,632	8,750	9,854	1,104
DISBURSEMENTS						
Construction, repair, and maintenance		10,000	5,815	7,500	1,830	5,670
Other		500	11	500	41	459
Total Disbursements		10,500	5,826	8,000	1,871	6,129
RECEIPTS OVER (UNDER) DISBURSEMENTS		-741	5,806	750	7,983	7,233
CASH, JANUARY 1		12,055	12,055	4,072	4,072	0
CASH, DECEMBER 31	\$	11,314	17,861	4,822	12,055	7,233

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

BARRY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

SPECIAL ROAD DISTRICT FUND

Year Ended December 31,			
1997			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Property taxes	\$ 375,000	405,254	30,254
Sales taxes	1,174,000	1,198,974	24,974
Intergovernmental	843,300	955,641	112,341
Total Receipts	2,392,300	2,559,869	167,569
DISBURSEMENTS			
Distributions to Special Road Districts	2,392,300	2,559,869	-167,569
Total Disbursements	2,392,300	2,559,869	-167,569
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0
CASH, JANUARY 1	0	0	0
CASH, DECEMBER 31	\$ 0	0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

BARRY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
RECORDER MICROFILM FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 20,000	22,786	2,786	20,000	22,262	2,262
Interest	2,000	2,483	483	1,000	2,505	1,505
Total Receipts	22,000	25,269	3,269	21,000	24,767	3,767
DISBURSEMENTS						
Ex Officio Recorder of Deeds	38,000	11,567	26,433	33,400	33,628	-228
Total Disbursements	38,000	11,567	26,433	33,400	33,628	-228
RECEIPTS OVER (UNDER) DISBURSEMENTS	-16,000	13,702	29,702	-12,400	-8,861	3,539
CASH, JANUARY 1	38,626	38,626	0	47,487	47,487	0
CASH, DECEMBER 31	\$ 22,626	52,328	29,702	35,087	38,626	3,539

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

BARRY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY BAD CHECK FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 29,000	29,601	601	27,000	29,378	2,378
Interest	1,000	1,989	989	0	1,890	1,890
Total Receipts	30,000	31,590	1,590	27,000	31,268	4,268
DISBURSEMENTS						
Prosecuting Attorney	19,300	39,944	-20,644	23,300	19,276	4,024
Transfer out	40,700	18,212	22,488	0	0	0
Total Disbursements	60,000	58,156	1,844	23,300	19,276	4,024
RECEIPTS OVER (UNDER) DISBURSEMENTS	-30,000	-26,566	3,434	3,700	11,992	8,292
CASH, JANUARY 1	40,110	40,110	0	28,118	28,118	0
CASH, DECEMBER 31	\$ 10,110	13,544	3,434	31,818	40,110	8,292

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

BARRY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY DELINQUENT TAX FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 700	1,355	655	1,400	856	-544
Interest	100	268	168	100	199	99
Total Receipts	800	1,623	823	1,500	1,055	-445
DISBURSEMENTS						
Prosecuting Attorney	2,000	0	2,000	0	0	0
Total Disbursements	2,000	0	2,000	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	-1,200	1,623	2,823	1,500	1,055	-445
CASH, JANUARY 1	4,038	4,038	0	2,983	2,983	0
CASH, DECEMBER 31	\$ 2,838	5,661	2,823	4,483	4,038	-445

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

BARRY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SHERIFF SPECIAL LAW ENFORCEMENT FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Interest		0	453	453	100	482	382
Other		1,000	1,278	278	1,900	1,579	-321
Total Receipts		1,000	1,731	731	2,000	2,061	61
DISBURSEMENTS							
Sheriff		7,918	3,674	4,244	4,000	1,789	2,211
Total Disbursements		7,918	3,674	4,244	4,000	1,789	2,211
RECEIPTS OVER (UNDER) DISBURSEMENTS		-6,918	-1,943	4,975	-2,000	272	2,272
CASH, JANUARY 1		8,898	8,898	0	8,626	8,626	0
CASH, DECEMBER 31	\$	1,980	6,955	4,975	6,626	8,898	2,272

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

BARRY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SHELTER HOME FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 1,230	1,170	-60
Interest	17	20	3
Total Receipts	1,247	1,190	-57
DISBURSEMENTS			
Domestic violence shelter	1,230	1,074	156
Total Disbursements	1,230	1,074	156
RECEIPTS OVER (UNDER) DISBURSEMENTS	17	116	99
CASH, JANUARY 1	680	680	0
CASH, DECEMBER 31	\$ 697	796	99

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

BARRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

SHERIFF FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 33,072	35,443	2,371
Interest	800	545	-255
Total Receipts	33,872	35,988	2,116
DISBURSEMENTS			
Sheriff	43,814	36,445	7,369
Transfer out	0	7,763	-7,763
Total Disbursements	43,814	44,208	-394
RECEIPTS OVER (UNDER) DISBURSEMENTS	-9,942	-8,220	1,722
CASH, JANUARY 1	20,896	20,896	0
CASH, DECEMBER 31	\$ 10,954	12,676	1,722

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

BARRY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PEACE OFFICER STANDARDS AND TRAINING FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 1,400	2,363	963
Interest	14	34	20
Other	0	65	65
Total Receipts	1,414	2,462	1,048
DISBURSEMENTS			
Training	1,723	1,290	433
Total Disbursements	1,723	1,290	433
RECEIPTS OVER (UNDER) DISBURSEMENTS	-309	1,172	1,481
CASH, JANUARY 1	740	740	0
CASH, DECEMBER 31	\$ 431	1,912	1,481

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit P

BARRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

LOCAL EMERGENCY PLANNING COMMISSION FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	0	6,608	6,608
Interest	\$ 1,000	1,104	104
Total Receipts	1,000	7,712	6,712
DISBURSEMENTS			
Office expenditures	3,150	1,197	1,953
Total Disbursements	3,150	1,197	1,953
RECEIPTS OVER (UNDER) DISBURSEMENTS	-2,150	6,515	8,665
CASH, JANUARY 1	20,262	20,262	0
CASH, DECEMBER 31	\$ 18,112	26,777	8,665

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Q

BARRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

DARE FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	0	725	725
Other	\$ 25,000	0	-25,000
Total Receipts	25,000	725	-24,275
DISBURSEMENTS			
Sheriff	25,000	11,390	13,610
Total Disbursements	25,000	11,390	13,610
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	-10,665	-10,665
CASH, JANUARY 1	18,784	18,784	0
CASH, DECEMBER 31	\$ 18,784	8,119	-10,665

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit R

BARRY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
MULTIFLORA ROSE CONTROL FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	10,000	10,000	0
Interest	\$ 430	249	-181
Total Receipts	10,430	10,249	-181
DISBURSEMENTS			
Distributions to farmers	10,000	10,000	0
Transfers out	0	249	-249
Total Disbursements	10,000	10,249	-249
RECEIPTS OVER (UNDER) DISBURSEMENTS	430	0	-430
CASH, JANUARY 1	0	0	0
CASH, DECEMBER 31	\$ 430	0	-430

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit S

BARRY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	8,798	8,798	0
Interest	50	80	30
Transfer in	\$ 977	977	0
Total Receipts	9,825	9,855	30
DISBURSEMENTS			
Sheriff	9,775	9,855	-80
Total Disbursements	9,775	9,855	-80
RECEIPTS OVER (UNDER) DISBURSEMENTS	50	0	-50
CASH, JANUARY 1	0	0	0
CASH, DECEMBER 31	\$ 50	0	-50

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit T

BARRY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
DEVELOPMENTALLY DISABLED BOARD FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 157,815	170,584	12,769	121,581	147,051	25,470
Intergovernmental	0	1,034	1,034	0	1,093	1,093
Interest	7,500	9,100	1,600	4,000	7,582	3,582
Total Receipts	165,315	180,718	15,403	125,581	155,726	30,145
DISBURSEMENTS						
Office expenditures	2,500	210	2,290	1,500	217	1,283
Insurance and bonds	3,000	1,304	1,696	4,000	2,120	1,880
Developmentally disabled services	157,815	145,992	11,823	120,081	85,011	35,070
Total Disbursements	163,315	147,506	15,809	125,581	87,348	38,233
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,000	33,212	31,212	0	68,378	68,378
CASH, JANUARY 1	225,098	225,098	0	156,720	156,720	0
CASH, DECEMBER 31	\$ 227,098	258,310	31,212	156,720	225,098	68,378

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit U

BARRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

CIRCUIT CLERK INTEREST FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 7,500	7,709	209
Other	0	1,068	1,068
Total Receipts	7,500	8,777	1,277
DISBURSEMENTS			
Circuit Clerk	12,000	5,055	6,945
Transfer out	0	5,000	-5,000
Total Disbursements	12,000	10,055	1,945
RECEIPTS OVER (UNDER) DISBURSEMENTS	-4,500	-1,278	3,222
CASH, JANUARY 1	9,457	10,275	818
CASH, DECEMBER 31	\$ 4,957	8,997	4,040

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit V

BARRY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ASSOCIATE CIRCUIT DIVISION INTEREST FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 945	2,035	1,090
Other	0	17	17
Total Receipts	945	2,052	1,107
DISBURSEMENTS			
Associate Circuit Division	1,200	86	1,114
Total Disbursements	1,200	86	1,114
RECEIPTS OVER (UNDER) DISBURSEMENTS	-255	1,966	2,221
CASH, JANUARY 1	1,891	1,984	93
CASH, DECEMBER 31	\$ 1,636	3,950	2,314

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

BARRY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Barry County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official or the Developmentally Disabled Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1998, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Special Road District Fund	1998
Shelter Home Fund	1997
Sheriff Fund	1997
Peace Officer Standards Training Fund	1997
Local Emergency Planning Commission Fund	1997
DARE Fund	1997
Circuit Clerk Interest Fund	1997
Associate Circuit Division Interest Fund	1997
Law Library Fund	1998 and 1997
Search and Rescue Fund	1998 and 1997
Juvenile Office Fund	1998 and 1997

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Special Road District Fund	1997
Recorder Microfilm Fund	1997
Sheriff Fund	1998
Multiflora Rose Control Fund	1998
Local Law Enforcement Block Grant Fund	1998

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. The published financial statements for the two years ended December 31, 1998 and 1997 included all funds being reported.

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1998, effective August 28, 1997, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 1998 and 1997, were entirely covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name.

The deposits of the Developmentally Disabled Board at December 31, 1998 and 1997, were entirely covered by federal depositary insurance or by collateral securities held by the custodial banks in the name of the Developmentally Disabled Board.

3. Use Tax Liability

The local use tax under Section 144.748, RSMo 1994, was struck down in its entirety by the Missouri Supreme Court in *Associated Industries of Missouri v. Director of Revenue*, 918 S.W.2d 780 (Mo. banc 1996). In *St. Charles County v. Director of Revenue*, 961 S.W.2d 44 (Mo. banc 1998), the Missouri Supreme Court ruled that local use taxes paid prior to the repeal of Section 144.748, RSMo 1994, must be refunded to taxpayers and authorized the Department of Revenue (DOR) to withhold amounts otherwise due to political subdivisions to the extent such withholding is necessary to cover the refund expense. On March 24, 1998, the Cole County Circuit Court entered final judgment in accordance with the Supreme Court's opinion and ordered the DOR to process refund claims filed.

The county has received \$405,785 in local use tax since its inception. The DOR has estimated the county's share of the total refund liability to be \$185,753. As of December 31, 1998, \$80,250 remains to be paid.

Supplementary Schedule

BARRY COUNTY, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1998	1997
U. S. DEPARTMENT OF AGRICULTURE				
Direct Program:				
10.unknown	Cooperative Law /Cannabis Agreement	N/A	\$ 1,365	1,745
Passed through state:				
Department of Social Services - Food				
10.6	Distribution	N/A	64	125
Department of Health - Special				
Supplemental Nutrition Program for				
10.6	Women, Infants, and Children	ER0045-8104	111,367	116,870
Office of Administration -				
Schools and Roads - Grants to				
10.7	States	N/A	73,423	92,730
U.S. DEPARTMENT OF DEFENSE				
Passed through state:				
Office of Administration -				
12.1	Payments to States in Lieu of Real Estate Taxes	N/A	11,099	0
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
Public Safety Partnership and				
16.7	Community Policing ("Cops") Grants	97-UM-WX-063	32,487	18,426
16.unknown	Equitable Sharing of Seized and Forfeited Property	N/A	3,770	0
Passed through:				
State Department of Public Safety -				
16.6	Byrne Formula Grant Program	97-NCD4-0600	16,865	20,259
		96-NCD1-0002	0	8,100
	Program total		16,865	28,359
16.6	Local Law Enforcement Block Grants Program	97-LBG-4	8,798	0
Missouri Sheriffs' Association - Domestic				
16.unknown	Cannabis Eradication/Suppression Program	N/A	3,392	525
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and				
Transportation Commission - Off-System				
Bridge Replacement and Rehabilitation				
20.2	Program	BRO-005-13	140,259	16,320
		BRO-005-14	42,878	266,161
	Program Total		183,137	282,481

GENERAL SERVICES ADMINISTRATION

Passed through state Office of Administration				
39.003	Donation of Federal Surplus Personal Property	N/A	86	0
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
93.3	Department of Health - Immunization Grants	PGO064-9104	11,940	18,123
	Department of Social Services - Child Support			
93.6	Enforcement	N/A	2,442	2,399
::				
93.7	Juvenile Court Diversion Program	ERO-172-119	30,264	7,034
		ERO-172-083	17,344	33,960
		ERO-172-084	45,545	55,620
		AOC-700-304	0	5,266
	Program Total		<u>93,153</u>	<u>101,880</u>
Department of Health -				
93.6	Child Care and Development Block Grant	ERO146-7104	4,987	3,686
	Maternal and Child Health Services			
94.0	Block Grant to the States	ERO146-9104	86,389	64,587
	Total Expenditures of Federal Awards		<u>\$ 644,764</u>	<u>731,936</u>

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

BARRY COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Barry County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Food Distribution Program (CFDA number 10.550) represent the dollar value assigned to commodities based on prices provided by the state Department of Social Services. Amounts for the Donation of Federal Surplus Personal Property Program (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 1998 and 1997.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Barry County, Missouri

Compliance

We have audited the compliance of Barry County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

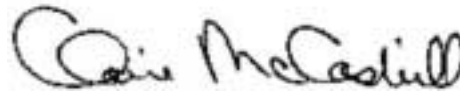
In our opinion, Barry County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997.

Internal Control Over Compliance

The management of Barry County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of Barry County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

June 23, 1999 (fieldwork completion date)

Schedule

BARRY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 1998 AND 1997

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Qualified

Internal control over financial reporting:

Material weaknesses identified?

 X yes no

Reportable conditions identified that are
not considered to be material weaknesses?

 yes X none reported

Noncompliance material to the financial statements
noted?

 X yes no

Federal Awards

Internal control over major program(s):

Material weaknesses identified?

 yes X no

Reportable conditions identified that are
not considered to be material weaknesses?

 yes X none reported

Type of auditor's report issued on compliance for
major programs:

Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133?

 yes X no

Identification of major programs:

CFDA or
Other Identifying

<u>Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
16.710	Community Policing ("COPS") Grants
20.205	Off-System Bridge Replacement and Rehabilitation Program

Dollar threshold used to distinguish between Type A
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? _____ yes X no

Section II - Financial Statement Findings

This section includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

98-1

Omission of Budgetary Information

The county does not have adequate procedures to ensure budgets are prepared for all county funds, and as a result, budgets were not prepared for various county funds for the year ending December 31, 1998. The lack of budgetary information for these funds, especially the Special Road District Fund, is a significant omission from the county's financial statements. Receipts and disbursements which were not budgeted for 1998 totaled \$3,059,892 and \$3,045,604, respectively. In addition, budgets were not prepared for some funds during 1997.

Chapter 50, RSMo 1994 and RSMo Cumulative Supp. 1998, requires preparation of annual budgets for all funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all county funds, the County Commission and other county officials and boards would be able to more effectively evaluate all county financial resources.

WE RECOMMEND the County Commission and other applicable officials ensure budgets are prepared for all county funds as required by state law.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

We accept your recommendation. A budget for the Special Road District fund was prepared for 1999, and we will continue to ensure budgets are prepared in the future.

Section III - Federal Award Findings and Questioned Costs

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

BARRY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Barry County, Missouri, on the applicable findings in our prior audit report issued for the three years ended December 31, 1996.

2. Budgets and Published Financial Statements

B. Budgets were not prepared for some county funds

Recommendation:

The County Commission:

B. Ensure budgets are prepared or obtained for all county funds.

Status:

B. Not implemented. See finding number 98-1.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

BARRY COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Our prior audit report issued for the three years ended December 31, 1996, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

SECTION OF OTHER MATTERS

BARRY COUNTY, MISSOURI LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Barry County, Missouri, as of and for the years ended December 31, 1998 and 1997 , and have issued our report thereon dated June 23, 1999. That report expressed a qualified opinion on the special-purpose financial statements. We also have audited the compliance of Barry County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997, and have issued our report thereon dated June 23, 1999.

We did not review the operations of elected officials with funds other than those presented in the special-purpose financial statements. The operations of such officials will be reviewed and reported on during the state auditor's next scheduled audit of the county.

This Letter on Other Matters presents matters other than the findings, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These matters resulted from our audit of the special-purpose financial statements of Barry County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*. Nevertheless, the county should consider these matters and take appropriate corrective action.

1. Purchasing Procedures

Bids were not always solicited for various purchases made by the county during the audit period. Invoices were not always approved by an authorized employee prior to payment. Assets purchased were not always posted to the county's general fixed asset listing.

2. Circuit Clerk's Interest Fund

The Circuit Clerk's interest ledger contained numerous mathematical and posting errors, and a running balance of accumulated interest is not maintained.

This Letter on Other Matters is intended for the information of the management of Barry County, Missouri, and other applicable government officials. However, this letter is a matter of public record and its distribution is not limited.